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SUBJECT: TURKMENISTAN: RUSSIAN TELECOM COMPANY INTRODUCES LIMITED  
BLACKBERRY-TYPE SERVICE

11. (U) Sensitive but unclassified. Not for public Internet.

12. (U) SUMMARY: Turkmenistan's government has been moving gradually to act on President Berdimuhamedov's call for universal Internet access. Turkmen Telecom, so far Turkmenistan's sole Internet provider, has signed a contract with the Russian company "TechnoServ" to provide a total of 20,000 new dial-up accounts and 1100 new high-speed accounts by July. But the government's efforts to move at a pace that would allow it to absorb the new additions as well as maintain its control over access and content is being challenged by Russian mobile phone operator Mobile Telesystems (MTS), which started offering a Blackberry-like service in March. Although the new service is limited for now to "legal authorities," it is now likely just a matter of time before access to the new technology spreads to average citizens, which we continue to believe is Berdimuhamedov's intention. In our view, international press reports claiming Turkmenistan still wants to deny the introduction of Internet tend to draw on off-shore Turkmen opposition web sites, especially the unreliable [www.chrono-tm.org](#), that generally see a glass half empty, at best. END SUMMARY.

GOVERNMENT MOVING SLOWLY TO BROADEN INTERNET

13. (SBU) Providing Internet accessibility to every school, kindergarten and home was one of the main items of Berdimuhamedov's election platform. Currently, state-owned "Turkmen Telecom," under the Ministry of Communications, is the only Internet provider in Turkmenistan. A limited number of government agencies, private businesses and independent citizens have dial-up Internet connections via Turkmen Telecom. These accounts were created in the late 1990s and early 2000s -- before the 2002 attack on the former president's motorcade raised security concerns that Internet could be a threat. Since then, Turkmen Telecom has not created any new accounts. Alisa Yakovlevna, a Turkmen Telecom lawyer, confirmed this, stating firmly that "if before there were 'underground' ways of getting private accounts installed, they no longer exist." Responding to questions about when Internet access will be widely available in Turkmenistan, Yakovlevna referred to a contract that the Ministry of Communication signed with a Russian company, "TechnoServ," in late 2007. According to the contract, TechnoServ

will provide \$1.5 million worth of equipment for "developing, modernizing, and expanding" Internet service. This will include installing 14 new servers in Ashgabat and 10 in the provinces, providing a total of 20,000 new dial-up accounts and 1100 new high-speed accounts. According to Yakovlevna, the equipment should arrive in July.

¶4. (U) On April 8, the official government news program "Watan" reported that Turkmenistan's Ministry of Communications and the Chinese company, Huawei, had signed a contract to expand the capacity of the Code Division Multiple Access (CDMA) radio communications network. (NOTE: CDMA is a channel access method used in Turkmenistan for mobile communication. END NOTE.) According to Watan News, the Chinese company has started to install the equipment. The CDMA will offer high-speed wireless Internet for mobile users. Huawei plans to increase the number of subscribers by 10,000, to 43,000.

#### INTERNET CAFES PROVIDE TRANSITION REMEDY

¶5. (SBU) Currently, Ashgabat has four official Internet cafes, all run and managed by Turkmen Telecom. Each Internet cafe has five flat-screen computers and is open 9:00 am-6:00 pm daily, except for Sunday. At these cafes, one hour of Internet use now costs 30,000 manats, or about \$2.00. The fee, set at 90,000 manats in 2007, decreased in January 2008 to 60,000 manats. It was decreased to its current level following Berdimuhamedov's public criticism during an April 14 cabinet meeting that the Ministry was providing "unjustifiably overpriced Internet services" to the population. A U.S. exchange alumnus who habitually uses the cafes said that the Ashgabat cafes have the best connections in the country. Others

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have told us that the cafes remain underutilized.

#### MTS ROLLS OUT BLACKBERRY-TYPE SERVICE

¶6. (SBU) However, a new player is making its way onto the scene that could challenge the current carefully controlled expansion of Internet availability: MTS (Mobile TeleSystems), the largest mobile phone operator in Russia (and in Turkmenistan) started providing Internet through GPRS (General Packet Radio Service), a Blackberry-type technology, in late March 2008. According to a local sales representative, the GPRS Internet service costs \$1 per megabyte of traffic transferred during daytime hours and 50 cents at night and on Sunday. (Some FSNs have been quoted slightly different rates.) MTS's Internet service is available in the "Ahal zone" -- encompassing Ashgabat and Ahal Province's medium-sized towns -- and in Turkmenbashi City, located on the Caspian Sea. Meanwhile, MTS is working on installing the necessary equipment so that it can expand its service to all major provincial cities.

#### SERVICE LIMITED -- FOR NOW -- TO "LEGAL ENTITIES"

¶7. (SBU) Currently, MTS is providing its Internet service only to legal entities and foreign businessmen. However it hopes to receive approval from the Government of Turkmenistan to extend its services to private citizens as well. According to an MTS representative, "The main concern the government has regarding expanding our service to private citizens is its inability to monitor the websites people visit." A foreign businessman who uses the MTS service told post that when he sought to sign up for MTS' service, he faced massive amounts of red tape and nearly daily visits from officials concerned about how he was using his subscription.

¶8. (SBU) COMMENT: The lack of direct competition up to now has allowed the government to move at a deliberate speed in implementing President Berdimuhamedov's call for broader Internet access. But with the strides being made in cellular technologies and MTS prepared to capitalize on this opening in Turkmenistan's market, the genie may have been let out of the bottle -- and with little chance of keeping the consequences contained. It is unlikely that the authorities will be able to maintain the current line between "legal entities" and private citizens for long. We continue to believe Berdimuhamedov's intention is for all citizens to have access to the Internet. In our view, international press reports claiming

Turkmenistan still wants to deny the introduction of Internet tend to draw on off-shore Turkmen opposition web sites, especially the unreliable [www.chrono-tm.org](http://www.chrono-tm.org), that generally see a glass half empty, at best.      END COMMENT.

HOAGLAND